



STATE OF MICHIGAN
JOCELYN BENSON, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

January 10, 2023

Carvana LLC
26890 Adell Center Dr.
Novi, MI 48375-2006

Dealer License Number: B209480

Case Number(s): 0-008-647-637, 0-008-741-679, 0-009-635-488,

DEALER LICENSE CLOSEOUT AGREEMENT

The Secretary of State (Department) conducted an investigation and determined that Carvana LLC (Licensee) violated the Michigan Vehicle Code (Code). As a final resolution of this matter, the Licensee voluntarily surrenders the dealer license in lieu of an administrative hearing or administrative action by the Department.

ALL OF THE FOLLOWING ARE FURTHER AGREED

A. Licensee admits to violating Chapter II of the Michigan Vehicle Code (Code) and/or violating the Michigan Administrative Code, Bureau of Automotive Regulation Rules as listed below:

1. Violating a probation agreement. [MCL 257.249(b)]
2. Improper use of temporary registration. [MCL 257.256 and MCL 257.226a(1)]
3. Records not available for inspection during reasonable or established business hours. [MCL 257.251(5)]
4. Failure to make application for title and registration in purchaser's name within 15 days of delivery. [MCL 257.217(4)]

5. Failure to have properly assigned certificate of title in immediate possession. [MCL 257.235(1)]
6. Failure to maintain odometer disclosure records. [MCL 257.233a(3)]

B. The Licensee voluntarily, knowingly, and expressly WAIVES their rights to the filing of a complaint, to a hearing, and the due process requirements of the constitutions of the State of Michigan and the United States of America, including:

- The right to notice of a hearing and a hearing itself.
- The right to be represented by an attorney at a hearing.
- The right to testify and present witnesses and evidence.
- The right to confront and cross-examine adverse witnesses.

C. Representatives of the Honorable Jocelyn Benson, Secretary of State, and the Licensee agree to enter this Dealer License Closeout Agreement (Agreement) rather than proceed with a hearing.

D. It is agreed that the Department will not hold a hearing for the violations admitted to above.

PROPER PENALTIES

E. Proper penalties for the Department to impose include all of the following:

1. The suspension or revocation of the Licensee's vehicle dealer licenses.
2. The denial of any original application for a vehicle dealer license submitted by the Licensee or anyone on their behalf, or anyone with whom it is, or may become, affiliated or associated.

F. As the alternative to those penalties, the Department and the Licensee enter this Agreement.

PERIOD OF CLOSEOUT

G. It is agreed that the Licensee shall not apply for a Vehicle Dealer License with the Department within the next 3 years of the date of this Agreement and shall not be an employee or agent of a dealer acting in the scope a licensed dealer's employment for a period of 3 years.

H. It is agreed the Licensee will not allow a person to act for and on behalf of, or in the place of, the Licensee for purposes of obtaining a vehicle dealer license.

COMPLIANCE PROVISION

I. Licensee agrees to surrendering the dealer license as of the date of this agreement. As part of its ongoing e-commerce sales through its out of state licenses, Licensee will continue to deliver vehicles to Michigan residents at its Michigan locations, but Licensee will not engage in the business of acting as a dealer, as defined by the Code, including, but not limited to, the properties located at 26890 Adell Center Dr, Novi, MI, or 2046 28th St SW, Wyoming, MI. Licensee certifies to understanding that under the Code it is subject to a fine of up to \$7,500 per violation for acting as a dealer without a Michigan dealer license.

PAYMENT OF FINANCIAL PENALTY

J. Licensee will pay a \$10,000 financial penalty to cover the cost of the investigation. The Licensee will forward a cashier's check or certified check in the full amount, made payable to State of Michigan, to the address on the invoice by February 6, 2023. Failure to pay the agreed to amount will result in a violation of the Agreement.

RIGHTS NOT WAIVED

K. The Department does not waive the right to bring an action and enter an order, under the Code, either jointly with, or separately from, a hearing conducted to determine whether a violation of this Agreement has occurred.

L. The Department does not waive the right to take action against the Licensee regarding any additional allegations uncovered as a result of any ongoing or subsequent investigation, whether the transactions predate or postdate this Agreement.

M. The Licensee does not waive any of its due process rights under the constitutions of the State of Michigan and the United States of America or any other rights to contest any allegation that the Licensee violated this Agreement or to contest any additional violations alleged by the Department against the Licensee.

RECORDS RETENTION

The Licensee agrees to maintain the dealer's records for a period of 5 years at the following location:

26890 Adell Center Dr, Novi, MI

SIGNATURES

The persons signing this Agreement are authorized to do so and authorized to bind the parties.

I accept the above Dealer License Closeout Agreement

THE HONORABLE
JOCELYN BENSON
SECRETARY OF STATE

PAUL BREAUX, LICENSEE
CARVANA LLC

s/Virginia Abdo
Virginia Abdo, Director
Duly Authorize Representative
Business Compliance and Regulation Division
4th Floor, R.H. Austin Building
430 W. Allegan
Lansing, MI 48918

Paul Breaux
Paul Breaux, Licensee
Owner/Officer
Carvana LLC
26890 Adell Center Dr
Novi, MI 48375-2006

Date: 1/10/2023

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